



Treasury Financial Manual

Transmittal Letter No. 5

Volume IV

To: Treasury Tax and Loan Depositories

1. Purpose

This transmittal letter releases Volume IV Treasury Financial Manual (TFM). It issues codified instructions to guide financial institutions that qualify as Treasury tax and loan depositories and/or provide electronic tax deposit services.

2. Page Changes

Remove

Table of Contents
for Volume IV

IV TFM 1-1000

IV TFM 1-2000

Insert

Table of Contents
for Volume IV

IV TFM 1-1000

IV TFM 1-2000

IV TFM 1-2100

IV TFM 1-2200

IV TFM 1-2300

3. Effective Date

Upon receipt.

4. Inquiries

Direct questions concerning this transmittal letter to:

Directives Management Branch
Financial Management Service
Department of the Treasury
3700 East-West Highway, Room 5C16
Hyattsville, MD 20782
Telephone: 202-874-9940

Date: July 14, 1999

Richard L. Gregg
Commissioner

Part 1—Chapter 2200

FEDERAL TAX COLLECTIONS USING THE ELECTRONIC FEDERAL TAX PAYMENT SYSTEM

This chapter provides instructions and guidelines for financial institutions that process Federal tax collections using the Electronic Federal Tax Payment System (EFTPS).

Section 2210—Applicability

By accepting or originating Federal tax payments, the financial institution is bound by IV TFM and applicable Federal Reserve Bank (FRB) operating circulars that supplement regulations at Title 31 of the Code of Federal Regulations, Part 203 (31 CFR Part 203). The Treasury Financial Manual (TFM), and its amendments, are available on the Financial Management Service's (FMS's) website: www.fms.treas.gov.

Section 2215—Authority

Title 31 CFR Part 203 governs:

- Financial institutions that process Federal tax payments electronically through the EFTPS.
- Designation of Treasury Tax and Loan (TT&L) depositories for maintaining and administering TT&L accounts and/or note balances.
- Collateral security requirements.

Section 2220—Definitions

See IV TFM 1-2020 for definitions.

Section 2225—Electronic Federal Tax Payment System

EFTPS provides an electronic alternative to the paper-based Federal Tax Deposit (FTD) System. It also enables taxpayers to report Federal tax payments and deposits to the Government using electronic reporting methods. Using EFTPS, taxpayers may transfer their payments or deposits using electronic funds transfer (EFT) technologies.

2225.10—Role of Financial Institutions and Depositories

Financial institutions and depositories have an integral role in the tax collection process. With EFTPS, a financial institution or depository chooses the extent to which it will service its customers' Federal tax payment needs.

Financial institutions and depositories may provide the following electronic services to meet their

customers' Federal tax payment needs:

- Receiving ACH debit entries and posting the entries to the customers' account.
- Originating ACH credit entries, at the direction of its customers, to the Department of the Treasury's (Treasury's) account.
- Originating same-day payment transactions to the Treasury account.

2225.20—Role of Treasury's Financial Agents (TFAs)

TFAs do the following:

- Receive, verify and validate taxpayer enrollment data.
- Operate the ACH debit reporting mechanisms (touch-tone phone and personal computer).
- Provide taxpayers with an EFT number that identifies the payment record in EFTPS.

Note: For Internal Revenue Service (IRS) audit purposes, a taxpayer may seek proof of a timely funds transfer from its financial institution. Financial institutions must provide information such as an Automated Clearing House (ACH) trace number, Federal Reserve-Electronic Tax Application (FR-ETA) reference number for Fedline Taxpayer Deposit transactions, or Fedwire input message accountability data (IMAD) number to the taxpayer if requested. To further assist customers, they should use the term "USATAXPYMT" or otherwise clearly identify EFTPS payments on customer account activity statements.

- Originate and deliver ACH debit files to the ACH operator.
- Receive ACH credit files from the ACH operator.
- Validate tax payment detail information and transmit it to the IRS.
- Balance and reconcile EFTPS transactions.
- Respond to taxpayer and financial institution questions through operation of an EFTPS customer service center.

2225.30—Role of the Federal Reserve Bank

FRB, as Treasury's fiscal agent, provides a same-day payment mechanism for the EFTPS referred to as the Federal Reserve-Electronic Tax Application (FR-ETA). FR-ETA uses the FRB funds transfer system and Fedline Taxpayer Deposit Application for same-day payments. The FRB does the following:

- Validates tax payment detail information and transmits this information to the IRS via the TFAs.
- Assigns an EFT number to completed transactions.
- Balances and reconciles system data.
- Responds to financial institution and depository inquiries regarding same-day tax transactions through operation of a FR-ETA customer service unit.

Section 2230—EFTPS Enrollment Processing

Treasury requires that all EFTPS taxpayers complete an enrollment process with the TFA. The taxpayer must enroll regardless of the electronic funds transfer method (ACH debit or credit, or same-day payment) before making its first electronic Federal tax payment via ACH debit or credit.

Note: Taxpayers who change financial institutions or depositories, or who change their accounts within a financial institution or depository, must reenroll with their TFA to use ACH debit. They cannot use the EFTPS Confirmation Update form for account change notification.

2230.10—Enrollment Form Availability

Taxpayers may obtain enrollment forms:

- By calling the TFA's EFTPS Customer Service Center.
- By calling 1-800-TAX-FORM (1-800-829-3676).
- By contacting their financial institution or depository.

Financial institutions may order large quantities of enrollment forms and instructions from the U.S. Government Printing Office (GPO) by calling 202-512-1800 and requesting item numbers 1996-405-503/41602 (enrollment forms) and 1996-615-016/54297 (instructions). They also may request these forms on GPO's website: www.gpo.gov.

Note: GPO charges a fee for the enrollment forms and instructions. Financial institutions should contact GPO directly to obtain the prices.

2230.20—Financial Institution and Depository Enrollment Responsibilities

At the request of a taxpayer that selected ACH debit as a funds transfer method, a financial institution or depository must verify the accuracy of the financial institution's routing

number and the taxpayer account number and account type indicated on the enrollment form. The taxpayer must ensure delivery of the completed enrollment form to the EFTPS enrollment processing center. The financial institution or depository may offer this delivery service to its customers.

2230.30—ACH Debit Prenotification Process

For a taxpayer that selected ACH debit as a payment method, the TFA originates a prenotification entry to the account indicated by the taxpayer on the enrollment form.

Upon receipt of a prenotification entry, the financial institution or depository verifies the taxpayer's account number and account type. If the taxpayer's account number and account type are correct, the financial institution or depository need take no further action. However, if the account number and/or account type are incorrect, the financial institution or depository must initiate a return or notification of change (NOC) entry to Treasury's account within 6 business days of receipt of the original prenotification entry.

Treasury may impose an interest assessment against a financial institution or depository that fails to respond to an incorrect prenotification entry. It assesses interest for the lost value of funds resulting from live ACH debit payments returned because of incorrect account numbers or account type information. Refer to Section 2250 for interest calculation information.

Section 2235—Conditions for Making an EFTPS Payment

A financial institution or depository may establish conditions the taxpayer must satisfy before it will effect the electronic tax transaction. For example, a financial institution or de-

pository may specify a cutoff time for receipt of a customer's Federal tax payment instructions. If conditions are not satisfied, the financial institution or depository may return an ACH debit entry and/or refuse to originate an ACH credit entry or a same-day tax payment.

2235.10—Risk

There are operating risks for a financial institution or depository that processes EFTPS payments and deposits using ACH credit and same-day payment and deposit methods. For example, Treasury may assess a financial institution or depository interest for an incorrect ACH credit entry or same-day payment (see Section 2250). The financial institution or depository does not encounter these risks with ACH debit transactions. The financial institution or depository should establish guidelines consistent with the level of risk it is willing to assume.

2235.20—Guidelines

A financial institution or depository should publish, or otherwise make available to its customers, the guidelines by which it will originate ACH credits and/or same-day Federal tax payments. At a minimum, these guidelines should identify the following:

- The method by which the taxpayer delivers the Federal tax payment instructions to the financial institution or depository for processing.
- The cutoff times by which the taxpayer must deliver the Federal tax payment instructions.
- The method and time by which the financial institution or depository notifies the customer of the success or failure of the transactions.

- The method by which the financial institution or depository delivers the ACH transaction trace number, FR-ETA reference number and/or Fedwire IMAD number to the customer.

Section 2240—Electronic Future-Day Federal Tax Payment Mechanisms (ACH)

EFTPS supports two future-day payment mechanisms: ACH debit and credit. Any financial institution or depository capable of originating and/or receiving ACH transactions, by itself or through a correspondent, may offer these services to its taxpaying customers.

2240.10—ACH Debit

For ACH debit payments, the taxpayer or the taxpayer's agent reports the Federal tax payment information to the TFA using one of the available EFTPS reporting methods. The TFA conducts on-line, real-time editing and validation of the Federal tax payment information. It issues the taxpayer an acknowledgment number to confirm a timely deposit report. The TFA originates the ACH debit entry to the taxpayer's account 1 business day prior to the date designated by the taxpayer for settlement.

ACH Debit Prenotification Instructions

Refer to paragraph 2230.30 for ACH debit prenotification instructions.

Receiving Depository Financial Institution (RDFI) Responsibilities

An RDFI does the following:

- Validates the ACH entries.
- Returns in a timely manner entries that are unpostable.
- Originates in a timely manner NOC entries as appropriate.

An RDFI also uses an NOC when a merger results in changes to the financial institution's routing number and/or the customer account number or type of account.

ACH Debit Corrections

Consistent with standard ACH rules and guidelines, TFAs or RDFIs may take the following actions:

- Returns—An RDFI may return an ACH debit entry. It must originate the return in a timely manner and indicate the appropriate return reason code.
- Dishonored returns—The TFA may dishonor a return entry.
- Contested dishonored returns—The RDFI may originate contested dishonored return entries.
- ACH debit reversal—The TFA may reverse an ACH debit file or entry.

Tax Payment Identification

RDFI should identify Federal tax payments on a customer's statement. For example, the RDFI may use the term, "USATAXPYMT," available in field 7 (company entry description

Note: ACH debit, through EFTPS, offers taxpayers a warehousing capability. Warehousing provides taxpayers the ability to schedule, as soon as the amount is known, future deposits or payments for settlement on the due dates. This feature eliminates the taxpayer burden of remembering to initiate a deposit 1 business day before the tax due date. Using this warehousing capability, business taxpayers may schedule a future-day settlement up to 30 calendar days in advance. Individual taxpayers may schedule a future-day settlement up to 105 calendar days in advance. Taxpayers are encouraged to use the warehousing capability of EFTPS whenever possible.

field) of the ACH company batch header record.

2240.20—ACH Credit

For ACH credit payments, the taxpayer's financial institution originates an ACH credit entry to Treasury's account at the FRB. The Federal tax payment detail is in the ACH credit addenda record. The FRB transmits the payment detail to the TFA for validation and transmission to the IRS.

ACH Credit Prenotification Process

(1) Zero-Dollar Entry with TXP Addenda Record or Prenotification Entry With the Tax Identification Number (TIN) in the Entry Detail Record—At the taxpayer's request, a financial institution or depository originates either:

- A zero-dollar entry with TXP addenda record at least 2 business days prior to the live ACH credit entry.

OR

- A prenotification entry with TIN in the entry detail record to Treasury's account at least 6 business days prior to origination of the first live ACH credit entry.

The TFA's account information is:

- RDFI: Federal Reserve Bank Chicago, IL
Routing transit number (RTN): 71036210
Account number: 04236036
Account name: Treasury General Account

OR

- RDFI: Federal Reserve Bank Atlanta, GA
RTN: 061036000
Account number: 23401009
Account name: Treasury General Account

Before originating the zero-dollar entry with TXP addenda record or prenotification entry with the TIN in the entry detail record, the financial institution or depository must obtain the correct TFA RTN and account number from each taxpayer. Do not assume that all taxpayers are assigned to the same TFA.

The enrollment confirmation package informs the taxpayer of assignment to a specific TFA. If the taxpayer has not received the enrollment confirmation package, including the payment instruction booklet, the financial institution should refer the taxpayer to the EFTPS Customer Service Center.

(2) Return of a Zero-Dollar or Prenotification Entry—The TFA reviews all zero-dollar and prenotification entries. If the entries contain incorrect taxpayer information (for example, the TIN in the entry detail record is missing or invalid) or if the taxpayer is not enrolled in EFTPS, the TFA returns the entry to the originating depository financial institution (ODFI). The TFA must return the zero-dollar entry so it is available to the ODFI no later than the opening of business on the second business day following the settlement date of the original zero-dollar entry. The TFA must return the prenotification entry so it is available to the ODFI no later than opening of business on the sixth business day following the settlement date of the original prenotification entry.

The taxpayer's financial institution carefully reviews and makes any necessary corrections to the information before originating another zero-dollar or prenotification entry. The financial institution or depository may contact the appropriate EFTPS TFA help line for assistance. The TFA help line numbers for financial institutions, as of the date of

this document, are: Bank of America 1-800-605-9876 and BankOne 1-800-945-7900.

(3) Failure to Originate a Zero-Dollar or Prenotification Entry—Treasury may assess interest to a financial institution or depository that fails to originate a zero-dollar or prenotification entry at a taxpayer's request, causing a future ACH credit entry(s) to be returned. It assesses interest for the lost value of funds. Refer to Section 2250 for interest calculation information.

(4) ODFI Responsibilities for Originating an EFTPS ACH Credit—An ODFI must originate ACH credit entries at least 1 business day prior to the date the taxpayer requires the payment to settle. It originates the payment using the cash concentration or disbursement ACH format with tax payment addenda record (CCD+TXP) banking convention to the appropriate Treasury RTN and account number.

(5) Tax Payment Identification—The ODFI should identify Federal tax payments on a customer's statement. For example the ODFI may use the term, "USATAXPYMT," available in field 7 (company entry description field) of the ACH company batch header record.

(6) ACH Credit Corrections—Consistent with ACH rules and guidelines, the following ACH credit corrections are permitted:

- **Reversals**—An ODFI may initiate an ACH credit reversal for a duplicate or erroneous file or entry. A reversal of a Federal tax payment may subject the taxpayer to an IRS late payment penalty. Therefore, the ODFI should use caution when processing a reversal for a Federal tax payment. It does not need IRS approval prior to originating an ACH credit reversal.

- Returns—The TFA may return an ACH credit entry if it is unable to identify the entry as a Federal tax payment or if the TIN is invalid. A financial institution or depository must notify its customers in a timely manner of any failed transaction.
- Dishonored returns—The ODFI may dishonor an ACH credit return.
- Contested dishonored returns—The TFA may contest a dishonored return.

(7) **Notification of Change**—The TFA may originate NOC entries, when needed.

Section 2245—Electronic Same-Day Federal Tax Payment Mechanisms

FRBs provide the following electronic same-day payment alternatives for the deposit and payment of Federal taxes:

- Fedwire value (Typecode 1000) transfer.
- Fedwire non-value (Typecode 1090) transaction.
- Fedline Taxpayer Deposit Application transaction.

Both the Fedwire non-value and the Fedline Taxpayer Deposit Application have preformatted screens for entering taxpayer detail and contain built-in edits for editing tax information.

Financial institutions may obtain detailed information on format, cancellation procedures, adjustments and interface with the investment program from the FRB's Electronic Payments Customer Support Staff.

Note: All times provided in Section 2245 are expressed in Managing Reserve Bank Head Office Local Zone Time (MRB Head Office LZT).

2245.10—Deadline for Transmission of Same-Day Federal Tax Payments

A financial institution must send same-day Federal tax payments so that the FRB receives them no later than 2 p.m. local MRB Head Office LZT. That is, the financial institution or depository, or a taxpayer using a customer delivery system, must send the payment to ensure receipt at the FRB through which it originates and settles the transaction by 2 p.m. MRB Head Office LZT. The FRB returns tax deposits received after the 2 p.m. MRB Head Office LZT cutoff time to the originator. The taxpayer, financial institution or depository may be assessed a late fee for returned tax payments.

2245.20—Fedwire Value (Typecode 1000) Transfer Settlement

Fedwire value tax payments settle immediately. The financial institution's reserve account is debited and Treasury's account is credited on the day of the transfer. There is no interface between the Fedwire value payment and the Treasury Tax and Loan Investment Program (TT&L IP). That is, the FRB does not post the funds to the note balance of TT&L Note Option depositories.

2245.30—Fedwire Value (Typecode 1000) Transfer Format

The Fedwire value tax payment uses a specific format and a CTR product code. Fedwire value message fields 4200 "Beneficiary" and 6000 "Originator to Beneficiary Information" provide tax payment detail. Contact the FRB's Electronic Payments Customer Support Staff for detailed format information.

2245.40—Fedwire Non-Value (Typecode 1090) Transaction Settlement

The FRB's TT&L system settles Fedwire non-value transactions at the end of the business day. Contact the FRB's Fiscal Services Department for further information.

TT&L Note Option Depository

The FRB posts Fedwire non-value transactions to the depository's note balance on the day of the transaction. It withdraws any amounts over the depository's maximum balance and charges them to the depository's, or its designated correspondent's, reserve account at the end of the business day.

TT&L Remittance Option Depository or Financial Institution

A financial institution that initiates a Fedwire non-value tax payment authorizes the FRB to debit its reserve account for the amount of the tax payment. A TT&L depository that initiates a Fedwire non-value tax payment authorizes the FRB to debit its, or its designated TT&L correspondent's, reserve account for the amount of the tax payment.

2245.50—Fedwire Non-Value (Typecode 1090) Transaction Format

The Fedwire non-value tax payment uses a specific format and an

IRS product code. Fedwire non-value message fields 4200 “Beneficiary” and 6000 “Originator to Beneficiary Information” provide tax payment detail.

Traditionally, a Fedwire non-value message has been a service or administrative message that carried no dollar value. Consequently, a financial institution did not make any corresponding accounting entries when processing this type of message. However, because the Fedwire non-value transaction combined with the IRS product code used to process tax payments results in settlement through the TT&L system, a financial institution may need to make accounting entries to debit its customer. Financial institutions may need to edit on the 1090 Typecode in combination with the IRS product code to identify the Fedwire non-value tax payments that settled through the TT&L system and require customer accounting. Contact the FRB’s Electronic Payments Customer Support Staff for additional format information, including the format for processing bulk filer tax payments.

2245.60—Fedline Taxpayer Deposit Application Settlement

The Fedline Taxpayer Deposit Application is an alternative payment method to the Fedwire non-value transaction. A financial institution initiates a Fedline taxpayer deposit transaction using the FRB’s Fedline Taxpayer Deposit Application. The FRB’s TT&L system settles Fedline taxpayer deposit transactions at the end of the business day. Contact the FRB’s Fiscal Services Department for additional information.

TT&L Note Option Depository

The FRB posts Fedline taxpayer deposit transactions to the deposi-

tary’s note balance on the day of the transaction. It withdraws any amount over the depository’s maximum balance and charges it to the depository’s, or its designated TT&L correspondent’s, reserve account at the end of the business day.

TT&L Remittance Option Depository and Financial Institution

A financial institution that initiates a Fedline taxpayer deposit transaction authorizes the administrative FRB to process the transaction through the TT&L system and debit its reserve account. A TT&L depository that initiates a Fedline taxpayer deposit transaction authorizes the FRB to debit its, or its designated TT&L correspondent’s, reserve account for the amount of the tax payment.

2245.70—Fedline Taxpayer Deposit Application Format

The Fedline Taxpayer Deposit Application has preformatted screens for entering taxpayer detail and contains built-in edits for editing tax information. The FRB’s Fiscal Services Department provides the Fedline software for this application to financial institutions and depositories upon request.

Note: The Fedline Taxpayer Deposit Application is separate from the Fedline TT&L Application that depositories currently may be using to report AOCs in the Federal Tax Deposit system.

2245.80—Correction of Erroneous Same-Day Federal Tax Payments by Financial Institutions and Depositories

Contact the FRB’s Fiscal Services Department for detailed cancellation and adjustment procedures.

Correction of Erroneous Entries Before the 2 p.m. MRB Head Office LZT Cutoff on Settlement Day

A financial institution may correct erroneous same-day Federal tax payments by canceling the erroneous transaction and, if applicable, initiating a corrected transaction before 2 p.m. on the settlement date. The cancellation must be for the total dollar amount of the original transaction. Contact the FRB’s Fiscal Services Department for additional information.

- **Fedwire Value Transaction—** Upon receipt of the request to cancel a Fedwire value message, FR-ETA returns the funds to the originating financial institution if before the 2 p.m. MRB Head Office LZT cutoff. If applicable, the financial institution may initiate a corrected Fedwire value payment before the 2 p.m. MRB Head Office LZT cutoff.
- **Fedwire Non-Value and Fedline Taxpayer Deposit Application** — Upon receipt of the request to cancel a Fedwire non-value or Fedline Taxpayer Deposit Application transaction, FR-ETA cancels the transaction if received before the 2 p.m. MRB Head Office LZT cutoff. The FRB does not create accounting entries to effect settlement of canceled transactions. If applicable, the financial institution may initiate a corrected transaction before the 2 p.m. MRB Head Office LZT cutoff.

Correction of Erroneous Entries After 2 p.m. MRB Head Office LZT on Settlement Day

Requests for adjustments made after the 2 p.m. MRB Head Office LZT cutoff are referred to as reversals. The financial institution or depository must contact the FRB's Fiscal Services Department as soon as possible to provide an explanation of the error and request an offset, or it may use the Fedline Taxpayer Deposit Application's reversal screen. A financial institution or depository may request a reversal from the FRB up to 5 business days after the original transaction. After that time, it must make the request directly to the IRS.

2245.90—Rejection or Reversal of Same-Day Federal Tax Payment by the FRB and IRS

The FRB may reject a same-day Federal tax payment for the following reasons:

- Insufficient funds in the financial institution's or depository's reserve account.
- Initiation after 2 p.m. MRB Head Office LZT.
- Non-EFTPS enrolled taxpayer identification number.
- Non-conformance to the edit and format requirements as prescribed by the IRS.

The IRS may reverse a same-day Federal tax payment because of an overpayment.

The financial institution or depository must notify its customers in a timely manner of a rejection or reversal that results in a deposit or payment not settling on the taxpayer's requested settlement date.

Section 2250—Interest Assessment for the Improper Processing of Electronic Federal Tax Payments

2250.10—Computation and Basis of Interest Assessment for Improper Processing of EFT Payments

Treasury may charge a financial institution or depository for the value of delayed Federal tax payments. It may assess this charge if the taxpayer meets the financial institution's or depository's conditions for making an EFT deposit or payment (Sections 2230 and 2235), and the financial institution or depository fails to process the payment properly. Interest is assessed from the date the Federal tax payment should have settled to the Treasury General Account (TGA) to the date the payment actually settled to the TGA. Treasury assesses a financial institution or depository interest to recoup the earnings value of funds lost. It computes the assessed interest using the interest rate factor for interest assessments under EFTPS.

Treasury assesses interest from the day the taxpayer specified settlement to Treasury until receipt of the payment by Treasury. It determines the assessed interest by multiplying the total delay in 1-day funds for the cycle(s) by the daily interest rate factor for interest assessments under EFTPS for each week of the corresponding TT&L cycle(s).

The FRB, at the direction of the FMS, debits the financial institution's or depository's reserve account, or the account of its designated correspondent, for the amount of the interest assessment.

2250.20—Financial Institution and Depository Limitation of Liability

Financial institution and depository liability is subject to the following limitations:

- For ACH debit transactions, interest is limited to no more than 7 calendar days.
- For ACH credit and same-day transactions, interest is limited to no more than 45 calendar days.

The limitation of liability does not apply to any interest assessment in which there is unauthorized use, indication of fraud, presentation of a false claim, or misrepresentation or embezzlement on the part of the financial institution or depository, or any of its employees or agents.

2250.30—Unauthorized ACH Entries to the TGA

A financial institution or depository must not originate an ACH entry that results in an unauthorized debit to the TGA.

2250.40—Computation and Basis of Charges for Unauthorized ACH Entries to the TGA

A financial institution or depository that originates an unauthorized ACH entry to debit the TGA is liable for the amount of the transaction and charges. Treasury determines the interest charge by multiplying the amount of the unauthorized entry for each calendar day by an interest rate equal to the Federal funds rate of interest plus 2 percent. It calculates the interest charge from the date the TGA was debited to the date the TGA was credited.

Per 31 CFR Part 203.15, there is no limitation of liability, either time or amount, for unauthorized ACH entries to the TGA. This does not preclude any other sanctions.

The FRB, at the direction of the FMS, debits the financial institution's or depository's reserve account, or the account of its designated correspondent, for the amount of the charge.

**2250.50—Appeal Process
for Interest Assessments**

A financial institution or depository may appeal any interest assessment or charge imposed under Section 2250 by contacting the FRB's Fiscal Services Department.

A financial institution or depository dissatisfied with an appeal decision from the FRB may initiate a final appeal to the FMS. FMS must receive the written final appeal no later than 90 calendar days following the date of the charge or assessment or 90

days from the date of the FRB's decision on the initial appeal. A final appeal to FMS must include appropriate and sufficient documentation to justify a reversal or reduction of the assessment or charge. Send the final appeal to the address listed in the Contacts page.

The Director reviews the appeal within 45 calendar days of receipt and may unilaterally extend the deadline for issuing a decision by providing written notice of the extension and an anticipated final ruling date.

FMS advises the financial institution or depository, in writing, of the Director's decision to uphold the assessment or charge, reverse the assessment or charge, or mandate another action. The Director's decision is final.

In the event of an over recovery or under recovery of the assessment or charge, Treasury reimburses by instructing the FRB to credit or debit the reserve or clearing account of the financial institution or depository, or its designated correspondent's account, as appropriate.

Contacts

Direct inquiries concerning this chapter and final appeals to:

Director
Financial Services Division
Financial Management Service
Department of the Treasury
401 14th St., SW., Room 313
Washington, DC 20227
Telephone: 202-874-6580

TREASURY FINANCIAL MANUAL

TABLE OF CONTENTS

Chapter	Section	Title
1000		PURPOSE AND PLAN OF VOLUME IV
	1010	Authority
	1015	Arrangement of the TFM
	1020	Transmittal Letters
	1025	TFM Bulletins
	1030	Distribution
	1035	Inquiries
		Contacts
2000		FEDERAL TAX COLLECTIONS—OVERVIEW
	2010	Applicability
	2015	Authority
	2020	Definitions
	2025	Tax Collection Systems Overview
	2030	Difference Between Financial Institutions and Depositories
	2035	Classification of Depositories
	2040	Statements to Depositories and Financial Institutions
		Contacts
2100		FEDERAL TAX COLLECTIONS USING THE FEDERAL TAX DEPOSIT SYSTEM
	2110	Applicability
	2115	Authority
	2120	Definitions
	2125	Accepting, Dating, Forwarding and Adjustment Procedures for FTDs
	2130	Compensation for Services
	2135	Charges for the Improper Processing of Federal Tax Deposits
	2140	Computation and Collection of FTD Late Fees
	2145	Temporary Secondary TT&L Accounts Due to a Merger
		Contacts

2200

**FEDERAL TAX COLLECTIONS USING THE ELECTRONIC
FEDERAL TAX PAYMENT SYSTEM**

- 2210 Applicability
- 2215 Authority
- 2220 Definitions
- 2225 Electronic Federal Tax Payment System
- 2230 EFTPS Enrollment Processing
- 2235 Conditions for Making an EFTPS Payment
- 2240 Electronic Future-Day Federal Tax Payment Mechanisms (ACH)
- 2245 Electronic Same-Day Federal Tax Payment Mechanisms
- 2250 Interest Assessment for the Improper Processing of Electronic
Federal Tax Payments
- Contacts

2300

TREASURY TAX AND LOAN INVESTMENT PROGRAM

- 2310 Applicability
- 2315 Authority
- 2320 Definitions
- 2325 Investment Program
- 2330 Changes of Option for TT&L Depositories
- 2335 Direct Investment (DI) Program
- 2340 Special Direct Investment (SDI) Program
- 2345 Computation and Collection of Interest on Note Balances
- 2350 Collateral Security Requirements
- Contacts